

The background image shows a coastal town at dusk or dawn. In the foreground, a white and orange electric vehicle charging station is mounted on a concrete pier. A black charging cable is plugged into the station. Behind the pier, a blue and white ferry boat is docked. The town's lights are visible in the distance, and mountains rise in the background under a clear sky. A seagull is flying in the upper left corner.

KEMPOWER Corporation

# Half year Financial Report 2024

1 January – 30 June 2024



# Kempower Corporation Half Year Financial Report, 1 January–30 June 2024 (unaudited)

## April–June 2024 in brief, IFRS (comparison figures in parenthesis April–June 2023)

- Order backlog decreased to EUR 101.0 million (EUR 138.5 million) at end of Q2
- Order intake decreased to EUR 54.1 million (EUR 86.3 million)
- Revenue decreased by 21% to EUR 57.1 million (EUR 72.5 million)
- Revenue outside the Nordics was 50% (59%) of revenue
- Gross profit margin was 44.4% (51.1%)
- Operative EBIT decreased to EUR -8.5 million (EUR 13.9 million), -14.9% of revenue (19.2%)
- Loss for the period was EUR 7.8 million (EUR 11.1 million profit)
- Cash flow from operating activities was EUR -16.3 million (EUR 20.5 million)
- Amount of personnel at the end of the period grew to 907 (596)

## January–June 2024 in brief, IFRS (comparison figures in parenthesis January–June 2023)

- Order intake decreased to EUR 99.0 million (EUR 147.7 million)
- Revenue decreased by 22% to EUR 99.7 million (EUR 128.2 million)
- Gross profit margin was 46.7% (51.0%)
- Operative EBIT decreased to EUR -19.3 million (EUR 20.8 million), -19.3% of revenue (16.2%)
- Loss for the period was EUR 16.6 million (EUR 16.7 million profit)
- Cash flow from operating activities was EUR -26.5 million (EUR 23.1 million)

## KEY FIGURES

MEUR	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Order backlog	101.0	138.5	101.0	138.5	110.6
Order intake	54.1	86.3	99.0	147.7	275.3
Revenue	57.1	72.5	99.7	128.2	283.6
Revenue growth, %	-21%	235%	-22%	287%	174%
Gross profit	25.4	37.0	46.6	65.4	147.7
Gross profit margin, %	44.4%	51.1%	46.7%	51.0%	52.1%
Operating profit/loss (EBIT)	-9.5	13.9	-20.3	20.7	40.6
EBIT margin, %	-16.5%	19.2%	-20.4%	16.2%	14.3%
Operative EBIT	-8.5	13.9	-19.3	20.8	40.7
Operative EBIT margin, %	-14.9%	19.2%	-19.3%	16.2%	14.3%
Profit/loss for the period	-7.8	11.1	-16.6	16.7	33.7
Equity ratio, %	52.4%	58.1%	52.4%	58.1%	58.3%
Cash flow from operating activities	-16.3	20.5	-26.5	23.1	39.7
Investments	6.9	2.4	11.5	4.0	9.6
Net debt	-30.2	-68.3	-30.2	-68.3	-74.6
Items affecting comparability	1.0		1.0	0.1	0.1
Earnings per share, basic, EUR	-0.14	0.20	-0.30	0.30	0.61
Earnings per share, diluted, EUR	-0.14	0.20	-0.30	0.30	0.61
Headcount end of period	907	596	907	596	737

## New outlook for 2024 (July 11 2024)

DC charging market demand has been lower than Kempower has earlier anticipated. After COVID-19, there was a component shortage which created higher than normal demand for charging solutions. Also charger rollouts have been slower than earlier anticipated due to limited grid connection availability. Both of these factors have created excess inventory on customers' side. Several customers are also waiting for the full availability of our next generation charging portfolio in H2 2024.

Kempower estimates the value of the excess stock of Kempower charging equipment that company's customers have in stock to be approximately EUR 100 million and to decline slowly during the second half of the year. This has a major negative impact on purchases by the customers.

The effect of excess inventories is clearly seen in our order intake actuals as the difference between the orders from our largest 2023 customers in H1 2024 and H1 2023 is approximately 75 million euros. Kempower's new customer acquisition has continued to develop positively but has not yet been able to offset the declined orders from existing customers.

To improve profitability, Kempower is evaluating significant short-term and mid-term cost base adjustments to optimize the organizational effectiveness.

Kempower expects:

- 2024 revenue; between EUR 220 million and EUR 260 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin % will be negative. However, the profitability is expected to improve towards the end of the year and be at break-even in Q4 2024.

## Previous outlook for 2024

Kempower expects:

- 2024 revenue; between EUR 360 million and EUR 410 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin, %; between 5 % – 10%

## Financial targets

The Board of Directors resolved on Kempower's financial targets on 19 April 2023.

- **Growth:** revenue of EUR 750 million in the medium term (years 2026–2028)
- **Profitability:** operative EBIT margin of 10 percent to 15 percent reached in the medium term (years 2026–2028) and operative EBIT margin of at least 15 percent in the long term
- **Dividends:** No dividends in the short term

CEO TOMI RISTIMÄKI COMMENTS ON THE Q2/2024 RESULTS:

# Weak second quarter for the year 2024

Difficult market conditions continued in the second quarter of 2024. Kempower customers' DC charging projects and destocking of high inventory levels are progressing significantly slower than we anticipated and we were not able to close orders from new customers as expected at a level that would compensate the shortfall from existing customers during Q2, affecting Kempower's financial performance in Q2 2024 and full year. As a result, we gave a negative profit warning, and published the preliminary financial information for Q2 2024, with an updated outlook for the year 2024. The revenue for the second quarter of 2024 was EUR 57.1 million, and operative EBIT negative EUR 8.5 million and change in net cash was negative by EUR 25.1 million. Order intake was EUR 54.1 million. The amount of charging points produced in the second quarter of 2024 was 3,268. The electricity charged through Kempower chargers more than doubled from 38,000 MWh from Q2 of 2023 to 82,000 MWh in Q2 of 2024.

Kempower has conducted the market research based on the 3rd party data, which shows that DC charging installations are growing 20% during the 2024 in Europe and 40% in North America, indicating continued growth of DC charging industry. Nevertheless, we expect the DC charging market value growth measured in sales to remain modest or stagnant due to destocking, hindering sales growth in 2024 regarding DC charging equipment manufacturers. According to this research Kempower has kept the DC charging industry market share on the same level as in 2023 based on installed charging points on our key markets even though our new guidance indicates that disappointingly, we will be below last year's revenue level because the inventory levels are declining more slowly than expected.

After COVID-19, there was a component shortage which created higher than normal demand for charging solutions. Also, charger rollouts have been

slower than earlier anticipated due to limited grid connection availability. Both of these factors have created excess inventory on customers' side. Based on Kempower ChargeEye's data of uncommissioned chargers, we estimate the value of the excess stock of Kempower charging equipment in our customers' inventory to be approximately EUR 100 million and we expect the value to decline slowly during the second half of the year. This has had a major negative impact on purchases by the existing customers. The effect of excess inventories is clearly seen in our order intake actuals as the difference between the orders from our largest 2023 clients in H1 2024 and H1 2023 is approximately 75 million euros.

The decrease in revenue has also a negative effect on our profitability and cash flow. To improve profitability and cash flow Kempower is implementing significant short-term and mid-term cost base adjustments to optimize organizational effectiveness. Targeted cost savings are EUR 10 million on annual level compared to Kempower's cost level at the end of Q2 2024. The planned actions include limiting all external spending and reducing approximately 10% of current full-time equivalent employees globally, majority of which will focus on Finland. In addition, Kempower targets to improve net working capital and reduce inventory levels during H2 2024 in order to improve cash flow.

Kempower onboarded 17 new customer accounts during the second quarter of 2024 (32 new customers during H1 2024) which is significant increase in our customer base with high business potential. As an example, in 2023 we had around 30 customers with more than EUR 2 million revenue. This is very positive for our future growth and market share development. During the Q2, we signed partnerships with e.g. Q8 and Storm in Belgium and with a global port operator. As the revenue from our existing customers has decreased

due to customers' inventory levels, we need to be better in developing the customer relationships with new customers for faster sales execution.

The DC charging market in North America is progressing even though the market is still in an early phase. The number of EV registration during the first half of the year in North America grew by 3 percent from the corresponding time period in 2023. Our market entry is progressing and we are gaining foothold and good reputation in the market. The customer acquisition has been good as 20% of the new customers during the quarter globally has come from North America, a nationwide US CPO customer as an example. With North America customers we don't face the same excess inventory challenges as we do in Europe. North America revenue grew by 284 percent to EUR 9.9 million during the first half of the year. We have also witnessed an increasing demand for charging equipment with NACS connector which we included to our offering during the second quarter.

The first half of the year 2024 has been challenging, and we expect the slow market situation for the DC charging market to prevail until the beginning of the next year. It is notable that when looking at the long and mid-term, the electrification of transportation is just getting started. According to our studies, at the start of this year an average ratio between number of existing DC charging points and registered EVs in Europe was 1:60, which indicates significant investment debt in DC charging infrastructure as the desired ratio is 1:20 according to the 3rd party study. Rapid actions towards greener transport are needed from governments and companies to reduce GHG emissions and curb global warming. At the same time, we are taking decisive actions to improve profitability, cash flow and new customer sales to return Kempower to its profitable growth track.

## Sustainability

Sustainability is at the core of Kempower's strategy. During the second quarter of 2024 we have conducted a pre-assurance process of our sustainability report to prepare for the upcoming CSRD regulation to identify development points in our reporting. We have also started work to improve our EU taxonomy reporting.

### Climate Impact

During the second quarter of 2024 Kempower has established processes for data collection for various waste streams in North Carolina production facility in Durham. The aim is to get more accurate waste management data monthly. We have also managed to reduce total waste to landfill by implementing recycling and composting programs on Durham site.

### Responsible Product

To prepare for the upcoming Ecodesign directive we have started to define the sustainability criteria in our product development in co-operation with our internal cross-functional sustainability group. We are also working towards finding more environmentally friendly packaging materials with focus on quality and overall customer experience.

### Best Workplace

We finished our Diversity, Equity, Inclusion and Belonging strategy work (DEIB) during Q1 of 2024 and the systematic DEIB work has started during Q2 of 2024. In relation to the waste management improvements in Durham, Kempower held trainings in the facility to discuss the various waste streams generated, new waste containers and their labeling and the impact to sustainability.



## Sustainability goals and progress

Focus areas	Short term target		HI/2024	FY2023	
Climate Impact	Relative CO <sub>2</sub> emissions	Reduce relative carbon footprint annually, measured as emissions/revenue	Finland	0.9 gCO <sub>2</sub> eq/EUR	0.3 gCO <sub>2</sub> eq/EUR
			USA	7.0 gCO <sub>2</sub> eq/EUR	0.8 gCO <sub>2</sub> eq/EUR
	Fossil free energy	Increase green electricity annually, measured as emissions/revenue	Finland	Electricity 0 t CO <sub>2</sub> eq/MEUR	Electricity 0 t CO <sub>2</sub> eq/MEUR
			USA	Electricity 0.4 t CO <sub>2</sub> eq/MEUR	Electricity 0.2 t CO <sub>2</sub> eq/MEUR
	Non-avoidable emissions (business travel, flights)	Flights' emissions reported and compensated annually, measured as emissions/revenue	Finland	5.0 t CO <sub>2</sub> eq/MEUR	3.1 t CO <sub>2</sub> eq/MEUR
			USA	5.6 t CO <sub>2</sub> eq/MEUR	Not available
	Waste	Reduce landfill waste as % of total waste annually, measured as waste/revenue	Finland	0 ton/MEUR	0 ton/MEUR
			USA	0.28 ton/MEUR	0.10 ton/MEUR
Responsible Products	Enabling electric transportation	Impact: 86% less emissions/100km in a passenger car (fully electric compared to ICE)	903 MWh charging power to end customers on a daily basis	560 MWh charging power to end customers on a daily basis	
The Best Workplace	Diversity	Diversity in processes and decisions DEIB KPI in personal pulse survey	40 nationalities, DEIB 83	40 nationalities, DEIB 82	
	Safety	Decrease absences due to accidents at work (LTIF), increase number of reported proactive safety observations	LTIF 5.95, Proactive safety observations 101 pcs	LTIF 4.61, Proactive safety observations 96 pcs	
	Training	Mandatory training for every employee on basic company sustainability topics in 2024: Code of Conduct training and First aid training measured as % of participants	Code of Conduct 81%, First Aid 56%	Code of Conduct 81%, First Aid 60%	

## Financial reporting and geographical regions

Kempower’s product portfolio covers DC charging solutions and services. The entire product and service portfolio is reported under a single segment.

## Order intake

Kempower’s order intake was EUR 54.1 (86.3) million in the second quarter of 2024 and EUR 99.0 (147.7) in the first half of 2024. Order intake during the quarter and the first half of the year has been negatively affected by customers’ high excess inventory levels. This has a major negative impact on purchases by the customers as the difference between the orders from our largest 2023 clients in H1 2024 and H1 2023 is approximately 75 million euros. Kempower’s new customer acquisition has continued to develop positively but has not yet been able to offset the declined orders from existing customers. We have removed an order of EUR 9 million from order backlog due to order cancellation.

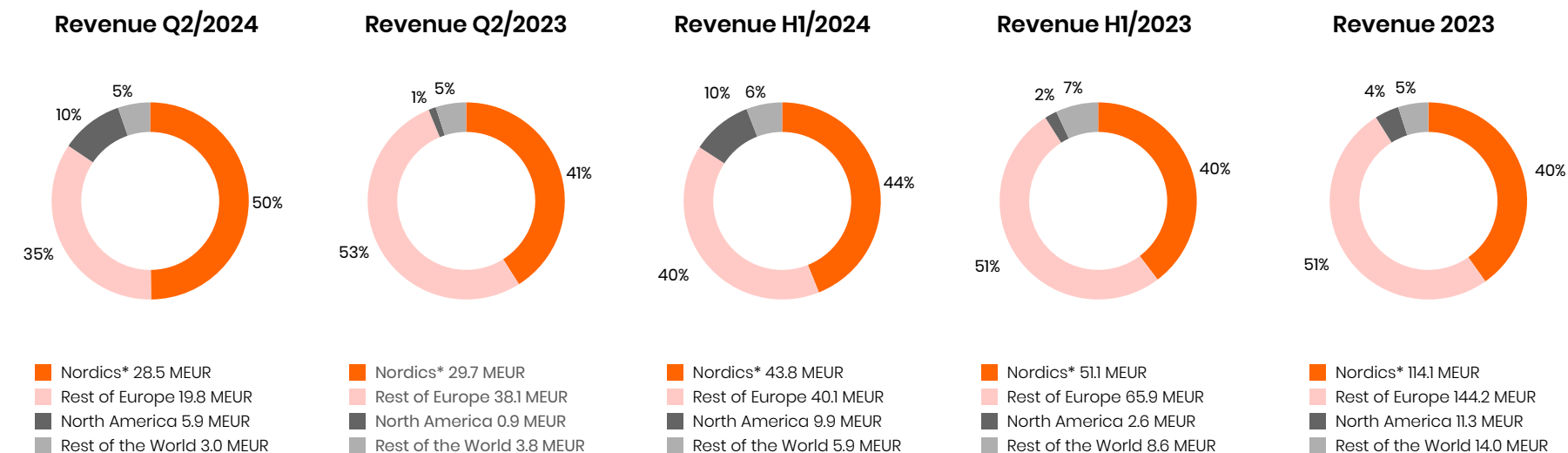
Kempower reports revenue according to geographical regions below:

- Nordics
- Rest of Europe
- North America
- Rest of the World

## Revenue

### REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q2/2024	Q2/2023	Change %	H1/2024	H1/2023	Change %	2023
Nordics*	28.5	29.7	-4%	43.8	51.1	-14%	114.1
Rest of Europe	19.8	38.1	-48%	40.1	65.9	-39%	144.2
North America	5.9	0.9	569%	9.9	2.6	284%	11.3
Rest of the World	3.0	3.8	-20%	5.9	8.6	-32%	14.0
<b>Total</b>	<b>57.1</b>	<b>72.5</b>	<b>-21%</b>	<b>99.7</b>	<b>128.2</b>	<b>-22%</b>	<b>283.6</b>



\*Nordics include Finland, Sweden, Norway, Denmark and Iceland



Kempower’s revenue mainly consists of deliveries of electric vehicle chargers and charging stations the company manufactures and charger maintenance services. Kempower also provides its customers with the ChargeEye SaaS service, a cloud-based charging equipment management system. Kempower’s customers are mainly public charging operators, commercial vehicle fleet operators, vehicle and equipment manufacturers and distributor and installer partners.

Kempower’s revenue for the second quarter of 2024 amounted to EUR 57.1 million (EUR 72.5 million). Revenue decreased by 21 percent compared to Q2 2023. Kempower’s revenue for the first half of 2024 amounted to EUR 99.7 million (EUR 128.2 million). Revenue decreased by 22 percent compared to the previous year. The decrease in revenues both for the first quarter and first half are mainly explained by high inventory levels of our customer base and delayed grid connections on customer’s installation sites mainly in the Nordics and Rest of Europe. Several customers are also waiting for the full availability of our next generation charging portfolio in H2 2024.

Kempower’s charging solutions have been delivered to more than 50 countries globally. Kempower’s main geographical markets include the Nordics, which accounted for 50 (41) percent of Kempower’s revenue for the second quarter of 2024, and Rest of Europe, which accounted for 35 (53) percent of Kempower’s revenue for the second quarter of 2024. North America accounted for 10 (1) and Rest of the World 5 (5) percent of Kempower’s revenue for the second quarter of 2024. For the first half of 2024 the revenue generated from the Nordics accounted for 44 (40) and Rest of Europe 40 (51) percent of Kempower’s revenue. The revenue generated from North America accounted for 10 (2) and Rest of the World 6 (7) percent of Kempower’s revenue for the first half of 2024.

Kempower’s revenue decrease during the second quarter and first half of 2024 has been the most significant, in absolute terms, in Rest of Europe and in Nordics. Kempower’s revenue growth in relative terms has been most rapid in North America growing by 284% during the first half of 2024 compared to corresponding period in 2023.

Profitability

Kempower’s operating profit/loss (EBIT) for the second quarter of 2024 decreased by EUR 23.3 million to EUR -9.5 million (EUR 13.9 million). Kempower’s operative EBIT for the second quarter of 2024 decreased by EUR 22.4 million to EUR -8.5 million (EUR 13.9 million). The decreased operating profit/loss resulted from lower revenues, the ramp up of next generation charger portfolio and the US operations, higher fixed cost base and increased depreciation. The quarterly result was also impacted by inventory write-downs and bad debt provisions amounting to EUR 3.7 million. The inventory write-down provision of EUR 2.2 million also impacted Gross Profit key figure negatively. Items affecting comparability for the second quarter of 2024 amounted to EUR 1.0 million (-). EUR 0.5 million of the items affecting comparability related to Kempower’s listing on the official list of Nasdaq Helsinki, EUR 0.3 million to expenses of establishing operations in the USA and EUR 0.1 million to other strategic initiatives.

Kempower’s operating profit/loss (EBIT) for the first half of 2024 decreased by EUR 41.0 million to EUR -20.3 million (EUR 20.7 million). Kempower’s operative EBIT for the first half of 2024 amounted to EUR -19.3 million (EUR 20.8 million). The loss resulted from lower revenues, the ramp up of next generation charger portfolio and the US operations, higher fixed cost base and increased depreciation. Items

affecting comparability in H1 2024 amounted to EUR 1.0 million (EUR 0.1 million). EUR 0.6 million of the items affecting comparability related to Kempower’s listing on the official list of Nasdaq Helsinki, EUR 0.3 million to expenses of establishing operations in the USA and EUR 0.1 million to other strategic initiatives.

Kempower’s other operating income for the second quarter of 2024 amounted to EUR 0.7 million (EUR 0.3 million). Kempower’s other operating income for the first half of 2024 amounted to EUR 1.3 million (EUR 0.6 million) and comprised governmental grants mainly from Business Finland EUR 0.5 million, gain on operative derivatives EUR 0.5 million, of which EUR 0.3 million unrealized, and other operating income totaling EUR 0.3 million.

Kempower’s net financial items for the second quarter of 2024 amounted to EUR -0.0 million (EUR 0.1 million) and to EUR 0.2 million (EUR 0.5 million) for the first half of 2024.

Kempower’s income tax for the second quarter of 2024 amounted to EUR 1.7 million (EUR -2.9 million) and to EUR 3.5 million (EUR -4.5 million) for the first half of 2024.

ITEMS AFFECTING COMPARABILITY

MEUR	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.5		0.6		
Expenses related to establishing operations in the United States presented in other operating expenses	0.3		0.3	0.1	0.1
Expenses related to other strategic initiatives presented in other operating expenses	0.1		0.1		
Total	1.0		1.0	0.1	0.1

## Research and development

Kempower's research and development expenses including employee benefits amounted to EUR 5.6 million (EUR 3.0 million) for the second quarter of 2024, equivalent of 10% (4%) of revenue and to EUR 11.6 million (EUR 5.5 million) for the first half of 2024, equivalent of 12% (4%) of revenue.

During the quarter Kempower launched Megawatt Charging System for electric trucks following the Megawatt Charging Standard (MCS) protocol. First version of the MCS based product comes with a peak power of 1.2 megawatt (MW).

Kempower also included as the first European DC charging company NACS charging standard for the company's offering in North America. NACS is a charging connector used in North America DC charging market in addition to CCS1 standard. First deliveries equipped with NACS were delivered during Q2 of 2024.

The ramp up of the next generation product portfolio has progressed well during the second quarter of the year even though we are slightly behind the planned production volumes. New technology will strengthen our position as the technological frontrunner and open new markets in the DC charging market globally.

## Cash flow, financing and balance sheet

Kempower's cash flow from operating activities for the second quarter of 2024 amounted to EUR -16.3 million (EUR 20.5 million) and to EUR -26.5 million (EUR 23.1 million) for the first half of 2024. Cash flow from operating activities during the quarter and first half of 2024 mainly resulted from operating losses, decrease in provisions and increase in net working capital. For the

full year 2023 cash flow from operating activities amounted to EUR 39.7 million.

At the end of Q2 of 2024 we had exceptionally high inventory levels and we will reduce inventory levels during H2 in order to release capital employed and to improve cash flow for H2 2024.

Kempower's cash flow from investing activities for the second quarter of 2024 amounted to EUR 2.2 million (EUR -2.4 million) and to EUR 7.7 million (EUR -4.0 million) for the first half of 2024. For the full year 2023 cash flows from investing activities were EUR -14.6 million. Cash flows from investing activities in the first half of 2024 included the decrease of money market investments EUR 19.1 million and investments in intangible assets and property, plant and equipment EUR -11.5 million. For the first half of 2023 cash flows from investing activities included investments in intangible assets and property, plant and equipment. For the full year 2023 cash flows from investing activities included the increase of money market investments EUR -5.0 million and investments in intangible assets and property, plant and equipment EUR -9.6 million.

Kempower's cash flow from financing activities for the second quarter of 2024 amounted to EUR 4.6 million (EUR -0.6 million) and to EUR 3.4 million (EUR -1.3 million) for the first half of 2024. Cash flow from financing activities in the first half of 2024 included mainly proceeds from current loans EUR 6.2 million and payments of lease liabilities EUR -2.8 million. For the first half of 2023 cash flow from financing activities consisted mainly of payments of lease liabilities. Cash flow from financing activities for the full year 2023 amounted to EUR -7.5 million and consisted of acquisition of treasury shares in the fourth quarter of 2023 of EUR -3.8 million and payments of lease liabilities of EUR -3.7 million.

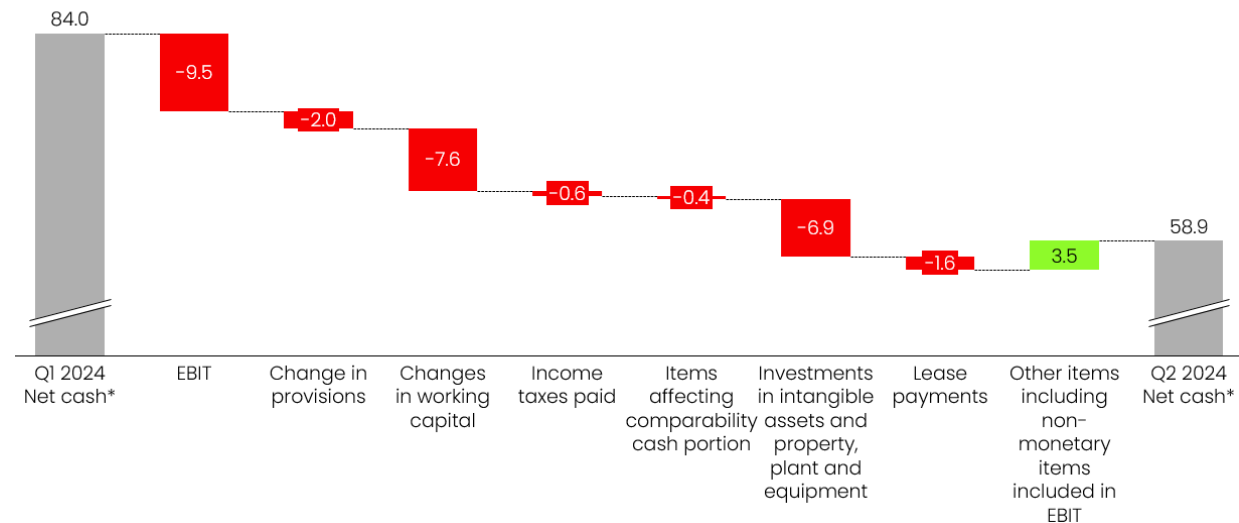
Kempower's total assets on the balance sheet at the end of June 2024 were EUR 232.7 million (EUR 212.6 million) and EUR 237.7 million on 31 December 2023.

Kempower's cash and cash equivalents at the end of the reporting period amounted to EUR 12.0 million (EUR 27.6 million) and EUR 27.4 million on 31 December 2023. Other financial assets included money market investments at the end of the reporting period amounting to EUR 53.1 million (EUR 65.2 million) and EUR 72.4 million on 31 December 2023.

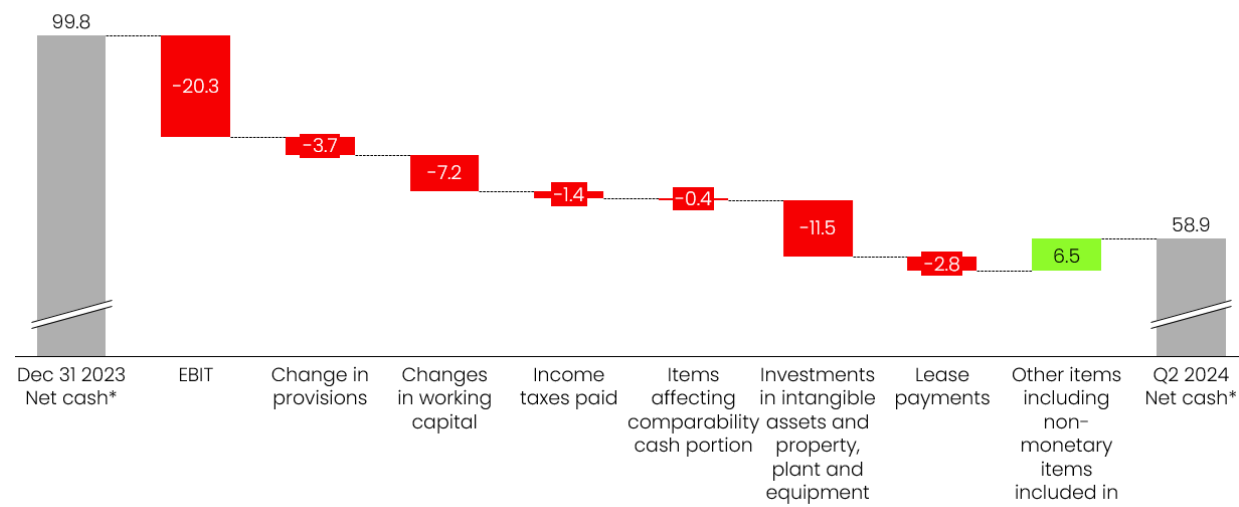
Kempower has a EUR 15.0 million short-term credit facility of which EUR 6.2 million was in use at the end of the reporting period. In addition, Kempower has signed a green revolving credit facility (RCF) of EUR 30 million to support Kempower's growth and sustainability strategies and strengthen Kempower's financing position even further.

For the reporting period the equity ratio was 52.4% (58.1%) compared to 58.3% on 31 December 2023. Net debt for the reporting period amounted to EUR -30.2 million (EUR -68.3 million) compared to EUR -74.6 million on 31 December 2023. The change in net debt as compared to the end of 2023 was due to the decrease in cash and cash equivalents of EUR 15.3 million, the decrease of the money market investments of EUR 19.3 million and the increase of lease liabilities and loans totaling EUR 9.7 million.

### Change in net cash position during Q2 2024 (EUR million)



### Change in net cash position during H1 2024 (EUR million)



\* Cash and cash equivalents and other financial assets deducted by loans from financial institutions

## Investments

Kempower's gross investments during the second quarter of 2024 totaled EUR 6.9 million (EUR 2.4 million) and during the first half of 2024 EUR 11.5 million (EUR 4.0 million) compared to EUR 9.6 million for the full year 2023. Kempower's investments for the first half of 2024 related mainly to the production and RDI center expansions.

## Personnel

Kempower's headcount at the end of the period was 907 (596), of whom 675 (508) were employed by the parent company and 232 (88) by the subsidiaries. Kempower's average number of personnel converted into full-time employees amounted to 806 (467) at the end of the reporting period.

Headcount end of period	30 Jun 2024	30 Jun 2023	31 Dec 2023
Operations, Production employees	203	174	176
Administration	95	63	79
Operations, Office employees	140	80	113
Research, development and innovations	193	108	148
Sales and marketing	276	171	221
<b>Total</b>	<b>907</b>	<b>596</b>	<b>737</b>

Headcount end of period by type of employment	30 Jun 2024	30 Jun 2023	31 Dec 2023
Permanent employees	824	509	731
Temporary employees	83	87	6
<b>Total</b>	<b>907</b>	<b>596</b>	<b>737</b>

Shares

Kempower’s share is listed on the Official List of Nasdaq Helsinki. Kempower’s registered share capital is EUR 80,000 and the total number of shares outstanding at the end of H1 2024 was 55,273,696 (55,417,746). The average number of shares outstanding during H1 2024 was 55,276,389 (55,418,256).

The company held 269,224 pcs of the company’s own shares at the end of H1 2024 (125,174 pcs H1 2023).

Share indicators	H1/2024	H1/2023	2023
Highest price (EUR)	32.48	37.00	54.40
Lowest price (EUR)	16.85	21.20	21.20
Volume weighted average price (EUR)	23.58	28.73	33.72
Closing (EUR)	22.42	34.00	31.82
Turnover (EUR)	302,106,069	183,660,750	884,656,078
Turnover volume	12,811,378	6,380,149	26,234,850
Market capitalization at the end of the period MEUR	1,239	1,888	1,759
Number of registered Shares	55,542,920	55,542,920	55,542,920
Number of own shares	269,224	125,174	265,174
Number of outstanding Shares	55,273,696	55,417,746	55,277,746

The company has one series of shares. Each share entitles its holder to one vote at the Annual General Meeting. The shares have no nominal value. Kempower’s shares are included in the book-entry system maintained by Euroclear Finland Oy. The trading code of the shares is KEMPOWER and the ISIN code is FI4000513593.

Major shareholders

At the end of the reporting period on 30 June 2024 the company had 61,772 shareholders.

15 largest shareholders on 30 June 2024:

Shareholder	Number of shares	% of shares
Kemppi Group Oy	34,400,000	61.93%
Varma Mutual Pension Insurance Company	2,572,678	4.63%
Nordea Funds	778,709	1.40%
Evli Fund Management	512,517	0.92%
Ilmarinen Mutual Pension Insurance Company	508,000	0.91%
Elo Mutual Pension Insurance Company	449,338	0.81%
Nordea Life Assurance Finland Ltd	399,526	0.72%
Oy Julius Tallberg Ab	356,309	0.64%
Kempinvest Oy	348,432	0.63%
Wipunen varainhallinta Oy	325,000	0.59%
KLP Kapitalforvaltning AS	305,733	0.55%
BlackRock	272,735	0.49%
Kempower Corporation	269,224	0.48%
Heikintorppa Oy	250,000	0.45%
Sp- Fund Management	241,941	0.44%

Source: Modular Finance AB – Monitor

Further information on the shares, major shareholders and management shareholdings is available on the company’s website <https://investors.kempower.com/>.



# Resolution of the Annual general meeting and the Board of Directors of Kempower Corporation

The Annual General Meeting was held in Lahti on 27 March 2024. The General Meeting adopted the annual accounts for the financial year 2023, considered the remuneration report for governing bodies 2023 and discharged the members of the Board of Directors and the Managing Director from liability for the financial year 2023.

## Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial year of 1 January 2023 to 31 December 2023 and that the profit of the financial year EUR 27,249,591,08 is transferred to the retained earnings / loss account.

## Election and remuneration of the members of the Board of Directors

The number of members of the Board of Directors was resolved to be six (6). Antti Kemppi, Teresa Kemppi-Vasama, Vesa Laihi, Olli Laurén, Tuula Ryttilä and Eriikka Söderström were re-elected as members of the Board of Directors. In accordance with Section 6 of the company's Articles of Association, Vesa Laihi was elected as the Chair of the Board of Directors and Antti Kemppi was elected as the Vice Chair of the Board of Directors. The term of the members of the Board of Directors will end at the conclusion of the Annual General Meeting of 2025.

The General Meeting resolved that the annual remunerations payable to the members of the Board of Directors are as follows:

- Chair of the Board of Directors EUR 100,000,
- Vice Chair of the Board of Directors EUR 80,000 and
- Members of the Board of Directors EUR 60,000.

In addition, a separate meeting fee is paid to the members of the Board of Directors for attending a meeting as follows:

- the meeting fee is EUR 700 per meeting if the meeting is held in the home country of the member of the Board of Directors or if the meeting is a virtual meeting,
- the meeting fee is double per meeting if the meeting is held on the same continent as where the home country of the member of the Board of Directors is located but not in his or her home country, and
- the meeting fee is triple per meeting if the meeting is held on a different continent from where the home country of the member of the Board of Directors is located.

In addition, it was resolved, based on the proposal of the Nomination and Remuneration Committee, that an annual fee of EUR 10,000 is paid to the Chair of the Audit Committee in addition to the annual remuneration of the member of the Board of Directors and that an annual fee of EUR 5,000 is paid to the Chairs of other Committees.

## Election and remuneration of the auditor

Ernst & Young Oy was re-elected as the auditor of the company. Ernst & Young Oy has informed that Authorized Public Accountant Toni Halonen would act as the auditor in charge. It was resolved to pay remuneration for the auditor in accordance with an invoice approved by the company.

## Election and remuneration of the sustainability reporting assurance provider

Ernst & Young Oy was elected as the sustainability reporting assurance provider of the company. Ernst & Young Oy has informed the company that Authorized Sustainability Auditor Toni Halonen would act as the key sustainability partner. It was resolved to pay remuneration for the auditor in accordance with an invoice approved by the company.

## Amending the Articles of Association

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 12 in such a way that the section 12§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the obligation to notify major holdings and share of votes

is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act.

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 13 in such a way that the section 13§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the procedure for a public offer and an obligation to make an offer is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act. The Board of Director's proposal to amend the Articles of Association with regard to sections 12§ and 13§ in its entirety is presented in "Notice to Annual General Meeting – Appendix 1" on Kempower's website <https://investors.kempower.com/governance/general-meeting/>.

## Authorizing the Board of Directors to decide on the repurchase of the company's own shares

The General Meeting resolved to authorize the Board of Directors to decide on the repurchase of the company's own shares in one or several instalments using funds belonging to the unrestricted equity of the company in such a way that the maximum number of shares to be repurchased is 2,777,146 shares. The proposed number of shares corresponds to five (5) percent of all the shares in the company.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The authorization also entitles the Board of Directors to resolve on a repurchase of shares otherwise than in proportion to the shares owned by the shareholders (directed purchase). In that case, there must exist a weighty financial reason for the company for the repurchase of its own shares.

The shares may be repurchased in order to develop the capital structure of the company, to finance possible acquisitions, investments, or other arrangements included in the company's business, as well as to implement the company's share-based incentive scheme or otherwise to be further transferred, held by the company, or invalidated. The Board of Directors resolves on all other conditions and matters pertaining to the repurchase of the company's own shares. The repurchase of the company's own shares reduces the unrestricted equity of the company.

The authorization remains in force until the conclusion of the following Annual General Meeting, however, until 30 June 2025 at the latest. The authorization revokes the authorization for repurchasing the company's own shares granted to the Board of Directors by the Annual General Meeting on 30 March 2023.

## Authorizing the Board of Directors to decide on the issuance of shares

The General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares in one or several instalments. The number of shares to be issued based on the authorization may not exceed 5,554,292 shares. The proposed number of shares corresponds to approximately 10 percent of all the shares in the company. The authorization includes the right to resolve to issue either new shares or to transfer treasury shares against payment.

The new shares may be issued or the treasury shares transferred in deviation from the shareholder's preemptive rights (directed issue) if there exists a weighty financial reason for the company for this. The Board of Directors resolves on all other conditions and matters pertaining to the issuance of shares and transfer of treasury shares.

The authorization may be used inter alia for developing the capital structure of the company, financing possible acquisitions, investments, or

other arrangements included in the company's business, as well as for expanding the ownership base and implementing the company's sharebased incentive schemes.

The authorization remains in force until the conclusion of the following Annual General Meeting, however, until 30 June 2025 at the latest. The authorization revokes the authorization for issuance of shares granted to the Board of Directors by the Annual General Meeting on 30 March 2023.

## Resolutions of the Board of Directors

Convening after the General Meeting, the Board of Directors appointed from among its members the following members to committees:

- Audit Committee: Chair Eriikka Söderström, Antti Kemppi, Vesa Laisi and Olli Laurén, and
- Remuneration and Nomination Committee: Chair Tuula Ryttilä, Teresa Kemppi-Vasama, Vesa Laisi and Olli Laurén

The board decided to establish a technology committee to monitor the implementation of the company's innovation and technology strategy. The following members were elected as members of the Technology Committee: Chair Vesa Laisi, Antti Kemppi and Tuula Ryttilä.

## Kempower Corporation's Leadership team and Board of Directors

The members of Kempower's Global Leadership Team are:

- Chief Executive Officer Tomi Ristimäki
- Chief Financial Officer Jukka Kainulainen

- Chief Operating Officer Sanna Otava
- Chief Sales Officer Tommi Liuska
- Chief Markets Officer Jussi Vanhanen
- Chief Service Business Officer Juha-Pekka Suomela
- Chief People Officer, Hanne Peltola

The members of Kempower's Extended Leadership Team are:

- Vice President, Research and Innovation, Mikko Veikkolainen
- Vice President, Brand and Communications Paula Savonen
- General Counsel Sanna Lehti
- Vice President, Product Management Tuomo Tarula
- Vice President, Product Development Antti Kärkkäinen
- Director, Operations Excellence Aki Tuononen
- Director, Lifecycle Services Jouko Liljeström
- Director, Sales Development Timo Okkonen

In addition Kempower's Global Leadership Team members belong also to Extended Leadership Team.

The members of Kempower's Board of Directors are:

- Chair of the Board Vesa Laisi
- Vice Chair of the Board Antti Kemppi
- Member of the Board Olli Laurén
- Member of the Board Teresa Kemppi-Vasama
- Member of the Board Eriikka Söderström
- Member of the Board Tuula Ryttilä
- Member of the Board Barbara Thierart-Perrin (member of the Board since July 2024)

## Personnel offering, stock options and long-term incentive programs

### Personnel offering

In October 2021, the Company carried out a directed share issue made in deviation from the shareholders' pre-emptive subscription rights to engage personnel of Kempower by issuing 5,789 new shares in a Personnel Offering. The subscription price in the Personnel Offering was EUR 100.00 per share before the share issue without consideration registered on 26 November 2021, in which for each existing share, 53 new shares were given. The members of Kempower's personnel who participated in the Personnel Offering have signed a shareholder agreement in which they have, among others, committed to sell their shares to the Company if their employment with Kempower ends in certain situations and committed to a lock-up period based on which they cannot sell, transfer, donate or pledge the shares subscribed by them without a permission granted by the Board of Directors of the Company until 31 December 2024.

### Existing stock option program

In November 2021, Kempower launched a stock option program, the target group of which is key employees working in Kempower's subsidiaries outside of Finland as well as selected employees who have been employed after the Personnel Offering. The program aims to foster employee commitment, broaden the Company's ownership base and give the opportunity to Kempower's personnel to benefit from the potential increase in the Company's value. The number of options per employee is set so that the subscription price of the options does not exceed the respective employee's two months' combined gross salary. The subscription period for stock options is between 1 January 2025 and 15 December 2025 and the subscription price is EUR 1.85 per option. In total 107,946 options were given.

### Share-based incentive plan (2022–2024)

Kempower launched in March 2022 a share-based incentive programme for Kempower's leadership team and key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2022–2024 consists of a three (3) year performance period, covering the financial years of 2022–2024. The Board of Directors can decide on new performance periods on a yearly basis.

In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period. The reward will be paid partly in Kempower's shares and partly in cash, which is used to cover taxes and tax related costs. During the performance period, the rewards are based on the Total Shareholder Return of the Kempower share in 2022–2024 and Group Revenue in 2024. The value of the maximum rewards to be paid on the targeted level will correspond to a total of approximately 130,000 Kempower's shares including also the cash proportion. However, if the targeted performance criteria will be significantly exceeded the ultimate maximum of the rewards to be paid will correspond to a total of approximately 165,000 Kempower's shares.

Approximately 20 persons, including the CEO and other Kempower Extended Leadership Team members, belong to the target group of the performance period. The Extended Leadership Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Extended Management Team continues.

## Share-based incentive plan (2023–2025)

Kempower launched in February 2023 a share-based incentive programme for Kempower's group's key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2023–2025 consists of a three (3) year performance period, covering the financial years of 2023–2025.

In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period. The reward will be paid partly in Kempower's shares and partly in cash. The cash proportion of the reward is intended for covering taxes and statutory social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

During the performance period, the rewards are based on the Total Shareholder Return of the Kempower share in 2023–2025 and Group Revenue in 2023–2025. The value of the maximum rewards to be paid on the targeted level will correspond to a total of approximately 206,200 Kempower's shares including also the cash proportion.

It is the intention of the Board of Directors that no new shares will be issued in connection with the PSP 2023–2025 Program and therefore, the PSP 2023–2025 program would have no dilutive effect on the number of the Kempower Corporation's registered shares.

Approximately 40 persons, including the CEO and other Kempower Leadership Team members, belong to the target group of the performance period.

The Leadership Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Leadership Team continues.

## Employee share savings plan

In February 2023 The Board of Directors of Kempower decided to establish an Employee Share Savings Plan (ESSP) for the employees of Kempower and its subsidiaries.

The aim of the ESSP is to encourage employees to acquire and own Kempower shares, and it is intended to align the interests of the shareholders and the employees as well as to increase employees' motivation and long-term commitment to the company.

The ESSP consists of annually commencing plan periods, each one comprising of a 12-month savings period and a holding period following the savings period. The ESSP is offered to all Kempower employees in countries where there are no legal or administrative constraints for participation. The employees will have an opportunity to save a proportion of their salaries and an extra bonus and invest those savings in Kempower shares. The savings will be used for acquiring Kempower shares quarterly after the publication dates of the respective interim reports. As a reward for the commitment, Kempower grants the participating employees a gross award of one matching share for every two (2) savings shares acquired with their savings. Continuity of employment and holding of acquired savings shares for the duration of the holding period are the prerequisites for receiving the award.

The potential award will be settled in shares, or partly in shares and partly in cash, after the end of the holding period. The cash proportion is intended to cover taxes and tax-related costs arising from the award in those countries where the employer has the obligation to withhold taxes.

Matching shares will be freely transferable after their registration on the participant's book-entry account. Any dividends to be paid on the acquired savings shares, the matching shares given within the ESSP, and any other shares received within the ESSP will be reinvested in additional shares on the next potential acquisition date. These shares will have an equal right to matching shares.

Participation in the ESSP is voluntary and the employees will be invited to participate in one plan period at a time. The first savings period commenced on 1 April 2023 and ended on 31 March 2024. The holding period of the first plan period began at the first acquisition of savings shares and ends on 31 March 2026. The estimated maximum expense for the first plan period is approximately EUR 1,3 million. The final expense depends on the employees' participation and savings rate in the plan, and the fulfilment of the prerequisites for receiving matching shares, as well as the number of shares acquired from the market with savings.

In December 2023 the Board of Directors of Kempower resolved to launch a new plan for period 2024–2027 of the Employee Share Savings Plan (ESSP) established in 2023. New savings period commenced on 1 April 2024 and ends on 31 March 2025.

## Share-based incentive plan (2024–2026)

In December 2023 the Board of Directors of Kempower resolved to establish a Performance Share Plan for the group's key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2024–2026 consists of a three (3) year performance period, covering the financial years of 2024–2026.



In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period.

During the performance period, the rewards are based on the Absolute Total Shareholder Return of the Kempower share in 2024–2026, Group Revenue in 2024–2026 and Co2 emission reduction / Revenue in 2024–2026. The value of the maximum rewards to be paid will correspond to a total of approximately 219,400 Kempower's shares including also the cash proportion.

It is the intention of the Board of Directors that no new shares will be issued in connection with the PSP 2024–2026 and therefore, the PSP 2024–2026 would have no dilutive effect on the number of the Kempower's registered shares.

Approximately 50 persons, including the CEO and other Kempower Leadership Team members, belong to the target group of the performance period.

### **Restricted Share Unit Plan 2024–2027**

In December 2023 the Board of Directors of Kempower resolved to establish a Restricted Share Unit Plan for selected key employees of the group. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees at the company and to offer them a competitive incentive plan based on receiving the company's shares.

The plan is intended to be used as a tool in situations seen necessary by the Board of Directors, for example ensuring retention of key talents to the company, attracting a new talent or other specific situations determined by the Board of Directors.

The Board of Directors may allocate rewards from the Restricted Share Unit Plan 2024–2027 during financial years 2024–2027. The value of the rewards to be allocated during 2024 on the basis of the plan corresponds to a

maximum total of 20,000 shares of Kempower, including also the proportion to be paid in cash.

The rewards will be paid by the end of May 2027, 2028, 2029, 2030 or 2031, but always so that there is at least three (3) years between the determination and the payment of the reward. The reward is based on a valid employment or director contract and on the continuity of the employment or service.

## **Short-term risks and uncertainty factors**

Kempower's systematic approach towards risks facing its business is an integral element of the management of the company. It includes risk identification, assessment, mitigation, follow-up, and reporting. Risks and development of risks are followed-up frequently by the Leadership team. In addition, Kempower has implemented a risk management process which is aligned with the governance annual cycle. To support the growth and success of the company, it is necessary to increase risk awareness within the organization to ensure that risk management is integrated into strategic planning, annual business planning and budgeting, daily decision making and practices.

Kempower's business is global, and the Company is therefore exposed to macroeconomic risks and other macro-level trends, such as cyclical fluctuations or a slowdown in global economic growth. The global operating model also exposes Kempower to risks related to supply chain, which may thus affect the Company's operations for example in the form of risks related to the temporary disruptions in supply chain, availability or cost levels of raw materials and components or sustainability related risks within the supply chain.

Kempower has a growth strategy and implementing it involves risks, such as scaling of operations. Failure of Kempower to effectively increase its

production capacity, supply chain and service capabilities could have a negative impact on the Company's ability to meet its short-term growth targets. Kempower has significantly expanded its production capacity, and the capacity expansion will continue also from now on. In addition, the Company has invested in scaling up the service network. The market entry/penetration to North American market includes multiple risks. Kempower executes a detailed business plan for the market penetration activities and failure, or slowdown of the activities could also have a material impact on the Company's ability to meet its growth targets.

The component shortage during the COVID-19 pandemic resulted abnormally high demand for DC charging equipment. The high demand created significant excess inventory to some of Kempower's large customers. As a result the ordering from these clients has decreased significantly. If the destocking of inventory levels is happening significantly slower than anticipated, this could impact Kempower's financial performance in the short term.

Kempower is constantly developing its product portfolio to respond its customers' needs. Remarkable quality issues due to design errors and delays in product development and product launches could have significant negative impact to Kempower's business operations. To mitigate the risk Kempower is continuously developing its quality processes such as quality testing in R&D and production phases.

Achieving Kempower's strong growth targets depends on the Company's ability to respond to market changes. The Company's business may also be greatly affected if new or changed laws and regulations are introduced in the market, of which the Company would not have been aware and thus prepared for the changes. To manage the risks, Kempower is constantly increasing its ability to identify and adapt to the global and market specific regulatory requirements.

Kempower's future growth is dependent on the Company's ability to keep up the pace with the rapidly changing technologies in the Electric Vehicle

market. To manage the risk Kempower is investing in R&D activities to gain and maintain the competitive advantages and to respond to customer demand and competition.

Kempower's production uses IT systems and tools whose connectivity and continued accessibility are prerequisite for efficient production and deliveries. Disturbances in the network or cybercrimes could disrupt Kempower's business and have a material adverse effect on its revenue and results of operations. Kempower has prepared business continuity and recovery plans to mitigate the risks in production.

Kempower's business success and implementation of its strategy depend on the Company's ability to recruit and engage qualified, motivated and skilled individuals. If Kempower is unable to attract and retain qualified key employees, it could have material adverse effect on Kempower's business. The shortage of skilled people in the labor market may also have a detrimental effect on the availability and retention of labor in Kempower. To manage the risk the Company has invested in competitive incentive models, career planning and reinforcing the Kempower corporate culture.

Kempower's ability to protect its intellectual property rights and operate without infringement of competitors intellectual properties is a significant factor in securing the Company's ability to achieve its business objectives. To ensure these abilities Kempower is investing to its intellectual property rights related capabilities.

The target in investing liquid assets is to gain a return on investment with a minimum risk of equity loss. The investment portfolio consists of deposits and money market investments. The important principle is the sufficient diversification across different investment instruments and counterparties. The investment portfolio is subject to interest rate risk, which is managed by minimizing the duration of the portfolio.

Kempower has carried out a long-term climate risk and opportunity assessment of our business model, including scenario analysis as per TCFD

guidance, for which we used two climate scenarios: IPCC SSP1-2.6 (global temperature increase well below 2°C), and IPCC SSP4-8.5 (global temperature increase up to 4°C). The top risks identified were physical, especially in the 4°C scenario, including local damages due to extreme weather, disruptions in the global supply chain and negative regional impacts on the workforce. These risks were estimated to have a small or small-to-medium sized financial impact.

# Significant events during the period

## January 2024

- Kempower and ZEF Energy commemorate over a year of successful collaboration.
- Kempower announced it will provide charging technology to Sainsbury's new Smart Charge EV charging business.
- Kempower becomes the official charging partner of eCarExpo in Stockholm and Oslo.

## February 2024

- National Car Charging selects Kempower for State of California for EV Infrastructure Enhancement Project.
- Kempower introduces next generation charger platform with silicon carbide (SiC) technology.
- Kempower announced that its Heavy Electric Traffic Ecosystem program will receive 10 million euros' funding from Business Finland.
- Kempower and Polarium announce a partnership to boost DC fast charging solutions with energy storage support.
- Kempower becomes Extreme E racing series' official charging partner.

## March 2024

- Kempower publishes comprehensive Life Cycle Assessment of the Kempower Satellite and Kempower Power Unit.
- Kempower announces collaboration with a global payment service provider Worldline to enhance EV charging experience in Europe.
- Kempower announced that first public charging systems with Kempower DC fast-charging technology have been installed in Germany.
- Kempower announced that it will strengthen its position in DACH region by opening new facilities in Düsseldorf.
- First public transport electric bus depot equipped with Kempower charging solutions starts to operate in Bologna, Italy.
- Kempower announced changes in the leadership team. Vice President of North America Tim Joyce left the company.
- Kempower issued a negative profit warning and lowered its guidance for Q1/2024.

## April 2024

- Kempower launched Megawatt Charging System for Electric Trucks in Europe.
- Kempower announced that it has added NACS Connector as an option to its product offering in North America.
- Kempower announced plans to transfer its shares to Official List of Nasdaq Helsinki.
- Kempower announced that it will deliver charging equipment for K-Lataus' charging network in Finland.

## May 2024

- Kempower announced that it will deliver in co-operation with Virta, a megawatt charging system for electric cars and trucks for Hedin Supercharge's in Sweden.

## June 2024

- Kempower announced that it has applied for its shares to be listed on the Official list of Nasdaq Helsinki.
- Kempower celebrated the grand opening of its new EV charger factory in Durham, North Carolina.
- Trading with Kempower shares on the Official List of Nasdaq Helsinki commenced on June 12, 2024.

## Events after the balance sheet date

### July 2024

- Kempower held an Extraordinary General Meeting, Barbara Thierart-Perrin was elected as a member to the Board of Directors.
- Kempower gave a negative profit warning and lowered its outlook for 2024.
- Kempower announced it will accelerate actions to improve company's profitability and initiates change negotiations

## 2024 Financial calendar

- Interim Report, January–September (Q3) is published 30 October 2024.

Lahti 23 July 2024

Kempower Corporation  
Board of Directors



# Key figures, calculation of key figures and reconciliations

Kempower presents certain key figures, which mainly relate to business performance and profitability. All of these performance measures are not defined in IFRS standards, and they are classified as alternative performance measures. Kempower follows ESMA's (European Securities and Market Authority) recommendations for its reporting on alternative performance measures.

Kempower uses alternative performance measures to reflect business performance and profitability. In Kempower's view, the alternative performance measures provide the investors, securities analysts and other parties with significant additional information related to Kempower's results of operations, financial position and cash flows and are widely used by analysts, investors, and other parties. The alternative performance measures should not be considered in isolation or as a substitute for the measures under IFRS. All companies do not calculate alternative performance measures in a uniform way, and, therefore, the alternative performance measures presented may not be comparable with similarly named measures presented by other companies.

Order backlog, order intake and revenue growth are used as key figures to reflect the development of the Group's business volume. Order backlog reflects the amount of legally binding orders received from the external customers, which are not yet delivered to customers nor recognized in the revenue. Order intake reflects the legally binding orders received from the external customers during the period. Revenue growth (%) describes the relative change of revenue compared to the revenue of the comparative period.

Operative EBIT is used to reflect the comparable profitability and improve the comparability of operational performance between periods. Material items outside the ordinary course of business including gains and losses on disposal, impairment charges and items relating to structural arrangements and capital reorganizations are identified as items affecting comparability.

## RECONCILIATION OF THE KEY FIGURES

MEUR	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>Revenue growth, %</b>					
Revenue	57.1	72.5	99.7	128.2	283.6
Revenue of the comparative period	72.5	21.6	128.2	33.2	103.6
Change of revenue	-15.3	50.8	-28.5	95.1	180.0
<b>Revenue growth, %</b>	<b>-21%</b>	<b>235%</b>	<b>-22%</b>	<b>287%</b>	<b>174%</b>
<b>Gross profit</b>					
Revenue	57.1	72.5	99.7	128.2	283.6
Materials and services	-29.6	-33.7	-49.2	-59.8	-129.4
Variable employee benefits	-2.2	-1.7	-3.9	-3.0	-6.5
<b>Gross profit</b>	<b>25.4</b>	<b>37.0</b>	<b>46.6</b>	<b>65.4</b>	<b>147.7</b>
<b>Items affecting comparability</b>					
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.5		0.6		
Expenses related to establishing operations in the United States presented in other operating expenses	0.3		0.3	0.1	0.1
Expenses related to other strategic initiatives presented in other operating expenses	0.1		0.1		
<b>Items affecting comparability</b>	<b>1.0</b>		<b>1.0</b>	<b>0.1</b>	<b>0.1</b>
<b>Operative EBIT</b>					
Operating profit/loss (EBIT)	-9.5	13.9	-20.3	20.7	40.6
Items affecting comparability	1.0		1.0	0.1	0.1
<b>Operative EBIT</b>	<b>-8.5</b>	<b>13.9</b>	<b>-19.3</b>	<b>20.8</b>	<b>40.7</b>
<b>Investments</b>					
Investments in intangible assets	1.2	0.1	1.6	0.2	0.2
Investments in tangible assets excluding Right-of-use assets	5.7	2.2	9.9	3.8	9.4
<b>Investments</b>	<b>6.9</b>	<b>2.4</b>	<b>11.5</b>	<b>4.0</b>	<b>9.6</b>
<b>Earnings per share, basic, EUR</b>					
Profit/loss for the period attributable to the equity holders of the company	-7.8	11.1	-16.6	16.7	33.7
Average number of shares, 1,000 pcs	55,275	55,418	55,276	55,418	55,405
<b>Earnings per share, basic, EUR</b>	<b>-0.14</b>	<b>0.20</b>	<b>-0.30</b>	<b>0.30</b>	<b>0.61</b>
<b>Earnings per share, diluted, EUR</b>					
Profit/loss for the period attributable to the equity holders of the company	-7.8	11.1	-16.6	16.7	33.7
Average number of shares adjusted for the dilutive effect, 1,000 pcs	55,395	55,517	55,393	55,517	55,504
<b>Earnings per share, diluted, EUR</b>	<b>-0.14</b>	<b>0.20</b>	<b>-0.30</b>	<b>0.30</b>	<b>0.61</b>

## Calculation of key figures

Key figure	Definition
Order backlog	Received legally binding orders from external customers not yet delivered to customer
Order intake	Received legally binding orders from external customers during the period
Revenue growth, %	Change of revenue compared to the revenue of the comparative period presented as a percentage
Gross profit	Revenue – Materials and services – Variable employee benefits
Gross profit margin, %	Gross profit as a percentage of revenue
EBIT margin, %	Operating profit/loss (EBIT) as a percentage of revenue
Operative EBIT	Operating profit/loss (EBIT) – Items affecting comparability
Operative EBIT margin, %	Operative EBIT as a percentage of revenue
Equity ratio, %	Total equity / (Total assets – Advance payments)
Investments	Investments in intangible assets and property, plant and equipment excluding Right-of-Use assets
Net debt	Non-current borrowings + Non-current lease liabilities + Current borrowings + Current lease liabilities – Cash and cash equivalents – Current financial assets
Items affecting comparability	Material items outside the ordinary course of business including gains/losses on disposal, impairment charges and items relating to structural arrangements and capital reorganizations
Earnings per share, basic	Profit/loss for the period attributable to the equity holders of the Company divided by the weighted average number of shares outstanding during the period
Earnings per share, diluted	Profit/loss for the period attributable to the equity holders of the Company divided by the weighted average number of shares outstanding adjusted for the dilutive effect

# Condensed financial statement information

## 1 January 2024–30 June 2024

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q2/2024	Q2/2023	Change	H1/2024	H1/2023	Change	2023
<b>Revenue</b>	<b>57.1</b>	<b>72.5</b>	<b>-15.3</b>	<b>99.7</b>	<b>128.2</b>	<b>-28.5</b>	<b>283.6</b>
Other operating income	0.7	0.3	0.3	1.3	0.6	0.7	1.3
Materials and services	-29.6	-33.7	4.1	-49.2	-59.8	10.6	-129.4
Employee benefits	-18.6	-11.6	-7.0	-36.8	-20.7	-16.1	-48.9
Depreciation, amortization and impairment losses	-2.5	-1.5	-1.0	-4.9	-2.6	-2.3	-6.5
Other operating expenses	-16.6	-12.1	-4.5	-30.5	-25.0	-5.4	-59.6
<b>Total operating expenses</b>	<b>-67.3</b>	<b>-58.9</b>	<b>-8.4</b>	<b>-121.3</b>	<b>-108.1</b>	<b>-13.3</b>	<b>-244.3</b>
<b>Operating profit/loss</b>	<b>-9.5</b>	<b>13.9</b>	<b>-23.3</b>	<b>-20.3</b>	<b>20.7</b>	<b>-41.0</b>	<b>40.6</b>
Finance income	1.2	0.5	0.7	2.5	1.2	1.4	4.6
Finance expenses	-1.3	-0.4	-0.9	-2.3	-0.7	-1.7	-2.1
<b>Total finance income and expenses</b>	<b>-0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>-0.3</b>	<b>2.5</b>
<b>Profit/loss before taxes</b>	<b>-9.5</b>	<b>14.0</b>	<b>-23.5</b>	<b>-20.1</b>	<b>21.2</b>	<b>-41.3</b>	<b>43.0</b>
Income tax	1.7	-2.9	4.5	3.5	-4.5	8.1	-9.3
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-7.8</b>	<b>11.1</b>	<b>-18.9</b>	<b>-16.6</b>	<b>16.7</b>	<b>-33.3</b>	<b>33.7</b>
<b>Profit/loss for the period attributable to the equity holders of the parent company</b>	<b>-7.8</b>	<b>11.1</b>	<b>-18.9</b>	<b>-16.6</b>	<b>16.7</b>	<b>-33.3</b>	<b>33.7</b>
<b>Other comprehensive income for the period</b>							
Items that may be subsequently reclassified to profit or loss							
Translation difference	0.1	0.0	0.1	-0.0	-0.0	-0.0	0.1
Other comprehensive income that will not be reclassified to profit or loss							
Remeasurement of defined benefit plan							0.0
Taxes							-0.0
<b>Total other comprehensive profit/loss for the period</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.0</b>	<b>-0.0</b>	<b>-0.0</b>	<b>0.1</b>
<b>Comprehensive profit/loss for the period</b>	<b>-7.7</b>	<b>11.1</b>	<b>-18.9</b>	<b>-16.6</b>	<b>16.7</b>	<b>-33.3</b>	<b>33.8</b>
<b>Comprehensive profit/loss for the period attributable to the equity holders of the parent company</b>	<b>-7.7</b>	<b>11.1</b>	<b>-18.9</b>	<b>-16.6</b>	<b>16.7</b>	<b>-33.3</b>	<b>33.8</b>
<b>Earnings per share for profit attributable to the equity holders of the parent company</b>							
Basic and diluted earnings per share, EUR	-0.14	0.20	-0.34	-0.30	0.30	-0.60	0.61



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3.0	2.4	1.8
Property, plant and equipment	50.0	32.8	38.2
Non-current receivables	0.1	1.4	1.4
Deferred tax receivables	7.4	2.5	2.8
<b>Total non-current assets</b>	<b>60.4</b>	<b>39.1</b>	<b>44.3</b>
<b>Current assets</b>			
Inventories	63.4	40.4	51.6
Trade receivables	34.9	35.2	35.4
Other receivables	2.6	2.2	2.5
Prepaid expenses and accrued income	6.3	2.9	4.2
Other financial assets	53.1	65.2	72.4
Cash and cash equivalents	12.0	27.6	27.4
<b>Total Current assets</b>	<b>172.3</b>	<b>173.5</b>	<b>193.5</b>
<b>TOTAL ASSETS</b>	<b>232.7</b>	<b>212.6</b>	<b>237.7</b>

MEUR	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	95.7	95.7	95.7
Other reserves	0.0		0.0
Treasury shares	-5.3	-1.4	-5.3
Translation differences	-0.0	-0.1	0.0
Retained earnings	43.7	7.1	8.7
Profit/loss for the period	-16.6	16.7	33.7
<b>Total equity</b>	<b>117.6</b>	<b>118.1</b>	<b>132.9</b>
<b>Non-current liabilities</b>			
Lease liabilities	22.6	20.3	20.5
Provisions	3.5	1.9	3.8
Deferred tax liabilities	0.0		0.0
Other liabilities	0.1	0.0	0.1
<b>Total non-current liabilities</b>	<b>26.2</b>	<b>22.3</b>	<b>24.4</b>
<b>Current liabilities</b>			
Lease liabilities	6.0	4.1	4.7
Loans from financial institutions	6.2		
Provisions	7.0	7.3	10.4
Advance payments	8.2	9.3	9.8
Trade payables	35.1	29.7	31.7
Other liabilities	4.4	3.5	2.1
Accruals and deferred income	21.9	18.3	21.7
<b>Total current liabilities</b>	<b>88.9</b>	<b>72.2</b>	<b>80.4</b>
<b>Total liabilities</b>	<b>115.1</b>	<b>94.5</b>	<b>104.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>232.7</b>	<b>212.6</b>	<b>237.7</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

MEUR	Q2/2024	Q2/2023	Change	H1/2024	H1/2023	Change	2023
<b>Cash flow from operating activities</b>							
Profit/loss for the period	-7.8	11.1	-18.9	-16.6	16.7	-33.3	33.7
Adjustments:							
Depreciation, amortization and impairment	2.5	1.5	1.0	4.9	2.6	2.3	6.5
Change in provisions	-2.0	1.1	-3.2	-3.7	6.8	-10.5	11.7
Financial income and expenses	0.0	-0.1	0.1	-0.2	-0.5	0.3	-2.5
Income taxes	-1.7	2.9	-4.5	-3.5	4.5	-8.1	9.3
Other non-cash items	0.5	0.4	0.1	0.8	0.7	0.0	2.7
<b>Cash flow before changes in working capital</b>	<b>-8.4</b>	<b>16.9</b>	<b>-25.3</b>	<b>-18.4</b>	<b>30.8</b>	<b>-49.2</b>	<b>61.5</b>
<b>Changes in working capital</b>							
Change in trade and other receivables	-7.6	-0.1	-7.5	-0.5	-13.0	12.6	-14.3
Change in inventories	2.2	-5.2	7.4	-11.7	-13.3	1.6	-24.5
Change in trade payables and short-term liabilities	-2.2	9.8	-12.0	5.0	19.7	-14.7	28.5
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-16.0</b>	<b>21.4</b>	<b>-37.4</b>	<b>-25.6</b>	<b>24.2</b>	<b>-49.8</b>	<b>51.1</b>
Interest and other financial expenses paid	-0.4	-0.3	-0.1	-0.7	-0.4	-0.3	-1.1
Interest and other financial income received	0.7	0.0	0.7	1.3	0.0	1.3	0.4
Taxes paid	-0.6	-0.6	0.0	-1.4	-0.7	-0.7	-10.8
<b>Cash flow from operating activities</b>	<b>-16.3</b>	<b>20.5</b>	<b>-36.8</b>	<b>-26.5</b>	<b>23.1</b>	<b>-49.6</b>	<b>39.7</b>

MEUR	Q2/2024	Q2/2023	Change	H1/2024	H1/2023	Change	2023
<b>Cash flow from investing activities</b>							
Increase (-)/decrease (+) of other financial assets	9.1		9.1	19.1		19.1	-5.0
Investments in intangible assets and property, plant and equipment	-6.9	-2.4	-4.6	-11.5	-4.0	-7.5	-9.6
Proceeds from sale of tangible and intangible assets							0.0
<b>Cash flow from investing activities</b>	<b>2.2</b>	<b>-2.4</b>	<b>4.6</b>	<b>7.7</b>	<b>-4.0</b>	<b>11.6</b>	<b>-14.6</b>
<b>Cash flow from financing activities</b>							
Purchase of treasury shares	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-3.8
Payment of lease liabilities	-1.6	-0.6	-1.0	-2.8	-1.3	-1.5	-3.7
Proceeds from current loans	6.2		6.2	6.2		6.2	
<b>Cash flow from financing activities</b>	<b>4.6</b>	<b>-0.6</b>	<b>5.3</b>	<b>3.4</b>	<b>-1.3</b>	<b>4.7</b>	<b>-7.5</b>
<b>Net change in cash and cash equivalents</b>	<b>-9.4</b>	<b>17.5</b>	<b>-27.0</b>	<b>-15.4</b>	<b>17.8</b>	<b>-33.2</b>	<b>17.5</b>
Cash and cash equivalents at the beginning of the period	21.4	10.0	11.3	27.4	9.8	17.5	9.8
Effects of exchange rate fluctuations on cash held	0.1	0.1	0.0	0.1	-0.0	0.1	-0.0
<b>Cash and cash equivalents at the end of the period</b>	<b>12.0</b>	<b>27.6</b>	<b>-15.6</b>	<b>12.0</b>	<b>27.6</b>	<b>-15.6</b>	<b>27.4</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Invested unrestricted equity fund	Other reserves	Translation differences	Treasury shares	Retained earnings	Total
<b>Shareholders' equity 1 Jan 2024</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.3</b>	<b>42.4</b>	<b>132.9</b>
Profit/loss for the period						-16.6	-16.6
Currency translation differences				-0.0			-0.0
<b>Total comprehensive income for the period, net of tax</b>				<b>-0.0</b>		<b>-16.6</b>	<b>-16.6</b>
<b>Transactions with owners</b>							
Acquisition of treasury shares					-0.0		-0.0
Share-based payments						1.3	1.3
<b>Transactions with owners, total</b>					<b>-0.0</b>	<b>1.3</b>	<b>1.3</b>
<b>Shareholders' equity 30 June 2024</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>-0.0</b>	<b>-5.3</b>	<b>27.2</b>	<b>117.6</b>
<b>Shareholders' equity 1 Jan 2023</b>	<b>0.1</b>	<b>95.7</b>		<b>-0.1</b>	<b>-1.4</b>	<b>6.3</b>	<b>100.6</b>
Profit/loss for the period						16.7	16.7
Currency translation differences				-0.0			-0.0
<b>Total comprehensive income for the period, net of tax</b>				<b>-0.0</b>		<b>16.7</b>	<b>16.7</b>
<b>Transactions with owners</b>							
Share-based payments						0.8	0.8
<b>Transactions with owners, total</b>						<b>0.8</b>	<b>0.8</b>
<b>Shareholders' equity 30 June 2023</b>	<b>0.1</b>	<b>95.7</b>		<b>-0.1</b>	<b>-1.4</b>	<b>23.8</b>	<b>118.1</b>
<b>Shareholders' equity 1 Jan 2023</b>	<b>0.1</b>	<b>95.7</b>		<b>-0.1</b>	<b>-1.4</b>	<b>6.3</b>	<b>100.6</b>
Profit/loss for the period						33.7	33.7
Remeasurement of defined benefit plans						0.0	0.0
Reclassifications			0.0			-0.0	
Currency translation differences				0.1			0.1
<b>Total comprehensive income for the period, net of tax</b>			<b>0.0</b>	<b>0.1</b>		<b>33.7</b>	<b>33.8</b>
<b>Transactions with owners</b>							
Acquisition of treasury shares					-3.8		-3.8
Share-based payments						2.4	2.4
<b>Transactions with owners, total</b>					<b>-3.8</b>	<b>2.4</b>	<b>-1.5</b>
<b>Shareholders' equity 31 Dec 2023</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.3</b>	<b>42.4</b>	<b>132.9</b>

# Notes to the condensed financial statements

## Basic information about the Group

Kempower Corporation ("the Parent Company") is a Finnish public liability limited company and the parent company of the Kempower Group ("Kempower", "the Kempower Group" or "the Group"). Kempower Corporation's registered address is Ala-Okeroistentie 29, 15700 Lahti. Kempower Corporation is part of Kemppi Group, whose parent company is Kemppi Group Oy. Kemppi Group Oy's registered address is Kempinkatu 1, 15800 Lahti.

## Basis of preparation

The unaudited interim condensed consolidated financial statements of Kempower Corporation for six months ending on 30 June 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Kempower's annual consolidated financial statements as of 31 December 2023.

Kempower's Board of Directors approved these unaudited interim condensed consolidated financial statements to be published on 23 July 2024.

The interim condensed consolidated financial statements including notes thereto are presented in millions of euros unless otherwise stated. The figures shown in this report are rounded, which means that the sum total of given individual figures may deviate from the sums shown in the tables. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Kempower's annual consolidated financial statements for the year ended 31 December 2023.

## Revenue

### REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q2/2024	Q2/2023	Change %	H1/2024	H1/2023	Change %	2023
Nordics*	28.5	29.7	-4%	43.8	51.1	-14%	114.1
Rest of Europe	19.8	38.1	-48%	40.1	65.9	-39%	144.2
North America	5.9	0.9	569%	9.9	2.6	284%	11.3
Rest of the World	3.0	3.8	-20%	5.9	8.6	-32%	14.0
<b>Total</b>	<b>57.1</b>	<b>72.5</b>	<b>-21%</b>	<b>99.7</b>	<b>128.2</b>	<b>-22%</b>	<b>283.6</b>

\*Nordics include Finland, Sweden, Norway, Denmark and Iceland

### REVENUE BY RECOGNITION TYPES

MEUR		Q2/2024	Q2/2023	H1/2024	H1/2023	2023
Products	Point in time	54.4	71.5	95.5	126.2	279.1
Services	Over time	2.8	1.0	4.2	2.0	4.5
<b>Total</b>		<b>57.1</b>	<b>72.5</b>	<b>99.7</b>	<b>128.2</b>	<b>283.6</b>

## Fixed assets

### INTANGIBLE ASSETS

MEUR, 30 Jun 2024	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.5	0.3	1.0		1.8
Additions				1.6	1.6
Amortizations and impairment	-0.1	-0.1	-0.3		-0.5
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.2</b>	<b>0.7</b>	<b>1.6</b>	<b>3.0</b>
Cost at the end of the period	0.7	1.1	1.8	1.6	5.3
Accumulated amortizations and impairment	-0.2	-0.9	-1.1		-2.3
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.2</b>	<b>0.7</b>	<b>1.6</b>	<b>3.0</b>

Prepayments and work in progress 30 Jun 2024 include EUR 1.5 million capitalized development costs.

MEUR, 30 Jun 2023	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.4	0.5	1.7		2.6
Additions	0.1		0.0		0.2
Amortizations and impairment	-0.0	-0.1	-0.2		-0.3
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.4</b>	<b>1.5</b>		<b>2.4</b>
Cost at the end of the period	0.6	1.1	1.8		3.6
Accumulated amortizations and impairment	-0.1	-0.7	-0.3		-1.2
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.4</b>	<b>1.5</b>		<b>2.4</b>

MEUR, 31 Dec 2023	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.4	0.5	1.7		2.6
Additions	0.2		0.0		0.2
Amortizations and impairment	-0.1	-0.2	-0.7		-1.0
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>		<b>1.8</b>
Cost at the end of the period	0.7	1.1	1.8		3.6
Accumulated amortizations and impairment	-0.2	-0.8	-0.8		-1.8
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>		<b>1.8</b>



## PROPERTY, PLANT AND EQUIPMENT

MEUR, 30 Jun 2024	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of use assets	Total
<b>Carrying amount at the beginning of the period</b>	<b>8.0</b>	<b>3.8</b>	<b>1.9</b>	<b>24.5</b>	<b>38.2</b>
Additions	0.3	1.6	8.0	6.4	16.3
Disposals				-0.3	-0.3
Reclassifications	0.7		-0.8		-0.1
Depreciations and impairment	-0.8	-0.5		-3.1	-4.4
Translation differences	0.0	0.1	0.0	0.2	0.3
<b>Carrying amount at the end of the period</b>	<b>8.2</b>	<b>4.9</b>	<b>9.2</b>	<b>27.7</b>	<b>50.0</b>
Cost at the end of the period	10.8	5.5	9.2	38.3	63.7
Accumulated depreciations and impairment	-2.5	-0.8		-10.8	-14.0
Translation differences	0.0	0.1	0.0	0.2	0.3
<b>Carrying amount at the end of the period</b>	<b>8.2</b>	<b>4.9</b>	<b>9.2</b>	<b>27.7</b>	<b>50.0</b>

MEUR, 30 Jun 2023	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of use assets	Total
<b>Carrying amount at the beginning of the period</b>	<b>4.3</b>	<b>0.0</b>	<b>1.3</b>	<b>15.5</b>	<b>21.1</b>
Additions	1.8	0.5	1.5	10.2	14.0
Disposals				-0.0	-0.0
Depreciations and impairment	-0.4	-0.0		-1.8	-2.2
Translation differences	-0.0	-0.0	-0.0	-0.1	-0.1
<b>Carrying amount at the end of the period</b>	<b>5.7</b>	<b>0.5</b>	<b>2.8</b>	<b>23.8</b>	<b>32.8</b>
Cost at the end of the period	6.8	0.6	2.8	29.1	39.2
Accumulated depreciations and impairment	-1.1	-0.0		-5.2	-6.4
Translation differences	-0.0	-0.0	-0.0	-0.1	-0.1
<b>Carrying amount at the end of the period</b>	<b>5.7</b>	<b>0.5</b>	<b>2.8</b>	<b>23.8</b>	<b>32.8</b>

MEUR, 31 Dec 2023	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of use assets	Total
<b>Carrying amount at the beginning of the period</b>	<b>4.3</b>	<b>0.0</b>	<b>1.3</b>	<b>15.5</b>	<b>21.1</b>
Additions	4.8	4.0	0.6	13.4	22.8
Disposals		-0.0		-0.0	-0.0
Depreciations and impairment	-1.1	-0.2		-4.2	-5.5
Translation differences	-0.0	-0.1		-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>8.0</b>	<b>3.8</b>	<b>1.9</b>	<b>24.5</b>	<b>38.2</b>
Cost at the end of the period	9.8	4.1	1.9	32.3	48.1
Accumulated depreciations and impairment	-1.7	-0.2		-7.7	-9.7
Translation differences	-0.0	-0.1		-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>8.0</b>	<b>3.8</b>	<b>1.9</b>	<b>24.5</b>	<b>38.2</b>

## RIGHT-OF-USE ASSETS

Amounts recognized in the statement of financial position

MEUR, 30 Jun 2024	Buildings	Machinery and equipment	Total
<b>Carrying amount at the beginning of the period</b>	<b>21.4</b>	<b>3.1</b>	<b>24.5</b>
Additions	4.2	2.2	6.4
Disposals	-0.2	-0.1	-0.3
Depreciations and impairment	-2.1	-1.0	-3.1
Translation differences	0.2	0.0	0.2
<b>Carrying amount at the end of the period</b>	<b>23.4</b>	<b>4.3</b>	<b>27.7</b>

MEUR, 30 Jun 2023	Buildings	Machinery and equipment	Total
<b>Carrying amount at the beginning of the period</b>	<b>14.1</b>	<b>1.4</b>	<b>15.5</b>
Additions	9.2	1.0	10.2
Disposals		-0.0	-0.0
Depreciations and impairment	-1.4	-0.4	-1.8
Translation differences	-0.0	-0.0	-0.1
<b>Carrying amount at the end of the period</b>	<b>21.9</b>	<b>1.9</b>	<b>23.8</b>

MEUR, 31 Dec 2023	Buildings	Machinery and equipment	Total
<b>Carrying amount at the beginning of the period</b>	<b>14.1</b>	<b>1.4</b>	<b>15.5</b>
Additions	10.6	2.8	13.4
Disposals		-0.0	-0.0
Depreciations and impairment	-3.2	-1.0	-4.2
Translation differences	-0.1	0.0	-0.1
<b>Carrying amount at the end of the period</b>	<b>21.4</b>	<b>3.1</b>	<b>24.5</b>

## Financial assets and liabilities by category

The Group categorizes its financial assets and liabilities into the following categories:

MEUR, 30 Jun 2024	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Non-current deposits		0.1	0.1	0.1			
<b>Current financial assets</b>							
Trade receivables		34.9	34.9	34.9			
Other receivables		2.6	2.6	2.6			
Derivatives	0.1		0.1	0.1		0.1	
Other financial assets	53.1		53.1	53.1	53.1		
Cash and cash equivalents		12.0	12.0	12.0			
<b>Total financial assets</b>	<b>53.2</b>	<b>49.5</b>	<b>102.7</b>	<b>102.7</b>	<b>53.1</b>	<b>0.1</b>	
<b>Non-current financial liabilities</b>							
Non-current lease liabilities		22.6	22.6	22.6			
<b>Current financial liabilities</b>							
Current lease liabilities		6.0	6.0	6.0			
Loans from financial institutions		6.2	6.2	6.2			
Trade payables		35.1	35.1	35.1			
Derivatives	0.3		0.3	0.3		0.3	
Other non-interest-bearing liabilities		4.4	4.4	4.4			
<b>Total financial liabilities</b>	<b>0.3</b>	<b>74.4</b>	<b>74.7</b>	<b>74.7</b>		<b>0.3</b>	

MEUR, 30 Jun 2023	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Non-current deposits		1.4	1.4	1.4			
<b>Current financial assets</b>							
Trade receivables		35.2	35.2	35.2			
Other receivables		2.2	2.2	2.2			
Other financial assets	65.2		65.2	65.2	65.2		
Cash and cash equivalents		27.6	27.6	27.6			
<b>Total financial assets</b>	<b>65.2</b>	<b>66.4</b>	<b>131.6</b>	<b>131.6</b>	<b>65.2</b>		
<b>Non-current financial liabilities</b>							
Non-current lease liabilities		20.3	20.3	20.3			
<b>Current financial liabilities</b>							
Current lease liabilities		4.1	4.1	4.1			
Trade payables		29.7	29.7	29.7			
Other non-interest-bearing liabilities		3.5	3.5	3.5			
<b>Total financial liabilities</b>		<b>57.6</b>	<b>57.6</b>	<b>57.6</b>			

MEUR, 31 Dec 2023	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Non-current deposits		1.4	1.4	1.4			
<b>Current financial assets</b>							
Trade receivables		35.4	35.4	35.4			
Other receivables		2.5	2.5	2.5			
Derivatives	0.4		0.4	0.4		0.4	
Other financial assets	72.4		72.4	72.4	72.4		
Cash and cash equivalents		27.4	27.4	27.4			
<b>Total financial assets</b>	<b>72.9</b>	<b>66.7</b>	<b>139.5</b>	<b>139.5</b>	<b>72.4</b>	<b>0.4</b>	
<b>Non-current financial liabilities</b>							
Non-current lease liabilities		20.5	20.5	20.5			
<b>Current financial liabilities</b>							
Current lease liabilities		4.7	4.7	4.7			
Trade payables		31.7	31.7	31.7			
Derivatives	0.3		0.3	0.3		0.3	
Other non-interest-bearing liabilities		2.1	2.1	2.1			
<b>Total financial liabilities</b>	<b>0.3</b>	<b>59.0</b>	<b>59.3</b>	<b>59.3</b>		<b>0.3</b>	

Other financial assets include money market investments measured at fair value through profit or loss. Cash and cash equivalents include deposits with banks, which are measured at amortized cost.

The book value of trade and other receivables and trade payables, which are measured at amortized cost corresponds to their fair value due to their short maturities.

## Related party transactions

The parties are considered to be related parties if the other party is able to exercise control or significant influence or joint control over the other party in decision making concerning its finances or business. Kempower's related parties include its subsidiaries and parent company Kemppi Group Oy and its subsidiaries other than Kempower Group companies. Related parties also include members of Kempower's Board of Directors, CEO and members of Leadership Team as well as their close family members and companies under their significant influence or control. Kempower's related parties also include the members of Kemppi Group Oy's Board of Directors and their close family members and companies under their significant influence or control.

Business transactions between Kempower and Kemppi Group are presented as related party transactions. Such related party transactions include purchases of materials from Kemptron Oy and Kemppi Oy, purchases of administrative services from Kemppi Group companies and premises leased from Kemppi Group companies. Commitments related to future purchases from Kemptron Oy and Kemppi Oy have also been included in related party transactions.

Kempower's headquarters and production facilities are located in rental properties. The headquarters and the connected production facilities in Lahti have been leased from Kemppi Group Oy until 2031.

Kempower's related party transactions are presented in the table on the right.

MEUR	Q2/2024	Q2/2023	H1/2024	H1/2023	2023
<b>Sales and purchases of goods and services to and from Kemppi Group companies</b>					
Products sold	0.6	0.0	1.1	0.1	0.4
Purchased materials	-6.5	-11.1	-11.8	-22.7	-44.1
Purchased administration services	-0.0	-0.0	-0.0	-0.1	-0.1
Office and facility lease	-0.5	-0.5	-0.9	-1.1	-2.3
<b>Sales and purchases of goods and services to and from other related parties</b>					
Purchased services	-0.0	-0.0	-0.0	-0.0	-0.1

MEUR	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Outstanding balances with Kemppi Group companies</b>			
Trade and other receivables	0.5	0.0	0.2
<b>Total current receivables</b>	<b>0.5</b>	<b>0.0</b>	<b>0.2</b>
Lease liabilities	11.1	12.3	11.6
<b>Total non-current liabilities</b>	<b>11.1</b>	<b>12.3</b>	<b>11.6</b>
Lease liabilities	1.6	1.7	1.5
Trade and other payables	7.2	9.6	6.7
Other current liabilities	0.1	0.6	
<b>Total current liabilities</b>	<b>8.9</b>	<b>11.8</b>	<b>8.2</b>
<b>Commitments to Kemppi Group companies</b>			
Purchase commitments	12.0	12.0	4.4
<b>Total commitments</b>	<b>12.0</b>	<b>12.0</b>	<b>4.4</b>

## Commitments

Kempower has entered into certain binding purchase agreements to ensure the availability of components.

MEUR	30 Jun 2024	30 Jun 2023	31 Dec 2023
Purchase commitments to Kemppi Group companies	12.0	12.0	4.4
Purchase commitments to other companies	17.8	11.8	10.1
Commitments to leases commencing after the reporting period	3.2		2.2
Guarantees given	1.6	0.1	1.4
<b>Total</b>	<b>34.5</b>	<b>23.8</b>	<b>18.1</b>



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